

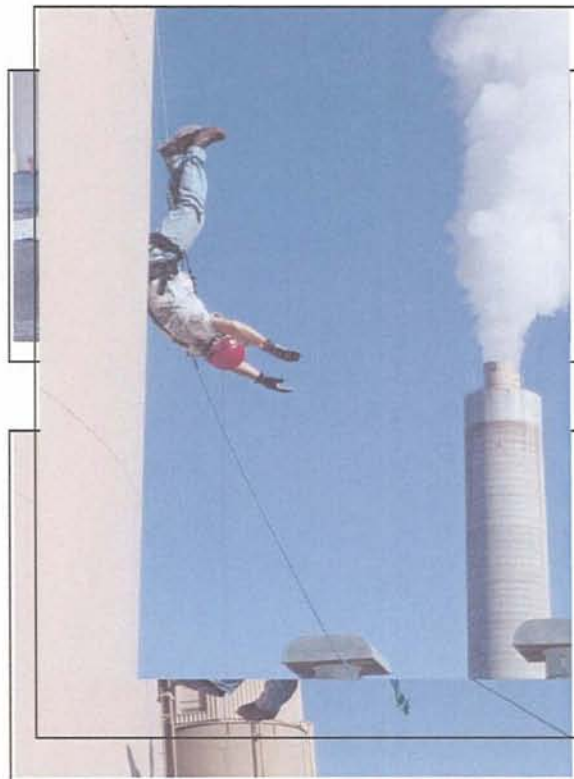
IPSC

Wind Damage to Unit 2 Boiler Building — Early January 5, winds reported between 40 and 52 mph tore off approximately 3,600 square feet of siding 150 feet above ground on the building that houses the Unit 2 Boiler. Damages were estimated at approximately \$32,000. Repair work was contracted out to Thermal Tech Insulation Service, who had assisted IPSC with insulation work during the major outages each spring. IPSC mechanics installed the sky climber used by Thermal Tech and the IPSC safety crew provided rope support. A large crane was rented to assist in delivering the sheet metal and insulation to Thermal Tech employees working on the sky climber. This was a cold job with no sun shining until afternoon and a cold wind blowing each day.



Rope Rescue Training — The annual confined space rescue training for the IPSC Rope Rescue Team was held on February 27, 28, and 29. This year's training included the IPSC Fire Brigades consisting of the four operating crews at IPSC. A training session was held for each brigade that included reviewing equipment, knot tying, mechanical advantage, patient packaging, and raising and lowering systems. A practical exercise was then held for each crew to simulate an actual confined space rescue. Two members of the rescue team were assigned to take the lead with each Fire Brigade proving the support needed to complete a successful scenario.

Specialty Rescue and Fire, a training company from Grandview, Texas, provided the expertise to ensure all 37 IPSC participants received a beneficial learning experience.





Conveyor 7 outage.

To facilitate the Conveyor 7 replacement, a special stand had to be fabricated to hold each of two rolls of new conveyor that would be pulled into place. The new conveyor was bolted to the old conveyor. A hydraulic winder and the new belt stand were positioned on top of the conveyor bed to pull it into place where splices could be completed on a table. Each of the new conveyor rolls weighed in excess of 17 tons. As the new conveyor was pulled into place, each of three necessary splices was prepared and vulcanized using only IPSC equipment and personnel. During the conveyor outage, other work such as idler and scraper replacements were completed. The entire job was completed in four ten-hour days.

Coal Conveyor 7 Replacement — During the week of March 3, the active reclaim Conveyor 7 was replaced. Active reclaim received the bulk of unloaded train coal which served to fill silos via Conveyor 7 and four active reclaim rotary plow feeders. The conveyor was 72 inches wide, steel cable reinforced, and located in a tunnel directly beneath the coal stacker. At the time of the change, this conveyor was one of only two coal conveyors that had been used but had not been replaced since the plant went on-line.

The week prior to the conveyor replacement, alternative coal paths, particularly reserve stock-out and reclaim Conveyors 3 and 4 were tested, repaired, and trained to provide maximum service during the





the on-site reservoir covering an overall distance of 9.17 miles and 2,138 sections of pipe (only 2,102 sections were actually inspected). The typical section of pipe was 48 inches in diameter, 24 feet long, and had approximately 316 wire wraps evenly spread across the length of the pipe.

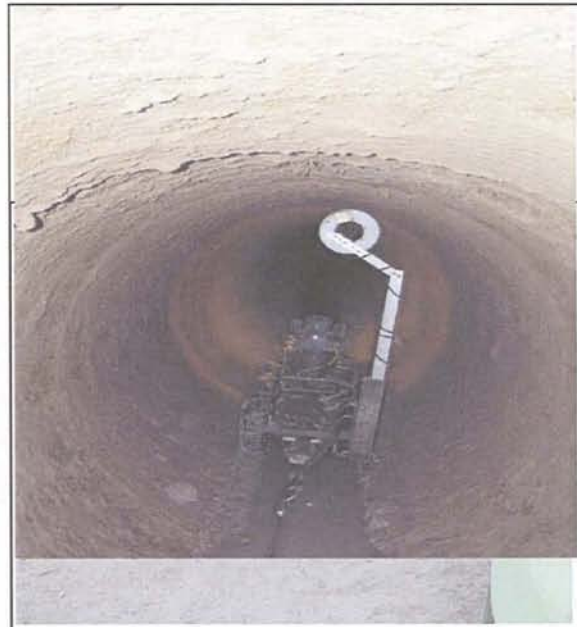
Analysis of the data obtained during this inspection determined that 360 sections of pipe displayed evidence of wire breaks ranging from 5 to 130 breaks. There appeared to be three major corrosion areas.

Most of the wire breaks and all four sections with 50 or more breaks were located in a two-mile length of pipe starting at the on-site reservoir going south toward DMAD. The next largest corrosion area started approximately two miles from the DMAD pump house continuing north one mile. The third and smallest corrosion area was between the other two areas.

Spring Outages — A minor two-day maintenance outage on Unit 1 was held in March. This outage consisted of 123 work orders, 2,440 man-hours, and \$148,000.

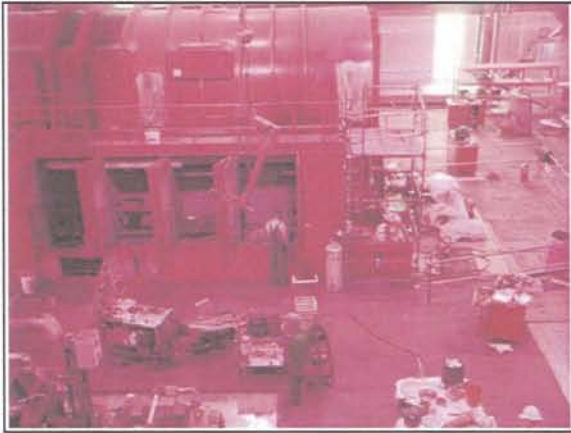
DMAD Inspection Project — On March 13 - 22, the Pressure Pipe Inspection Company (PPIC) conducted a nondestructive evaluation of the Prestressed Concrete Cylinder Pipe (PCCP) portion of the DMAD pipeline using its patented Remote Field Eddy Current/Transformer Coupling (RFEC/TC) technology.

The inspection was performed between the DMAD pump house and

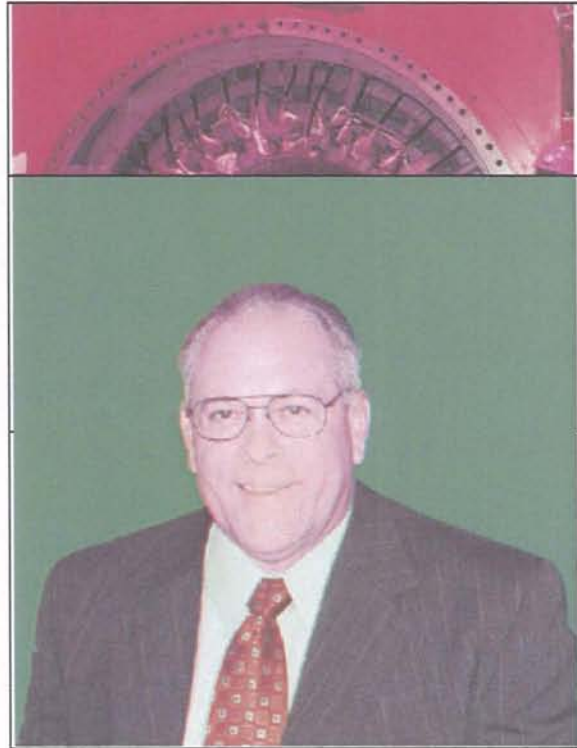


The major outage on Unit 2 ran for approximately thirty days. This outage included 2,058 work orders, 53,370 man-hours, and \$7,400,000. Repairs and maintenance were completed on much of the equipment. All of the scheduled maintenance projects, inspections, cleaning, and testing were also completed. Many different techniques were used to test and check for high stress areas to allow time to make repairs before failure.





Gordon Rawlinson Promoted to Colonel — Lieutenant Colonel Gordon Rawlinson was promoted to Colonel on May 17 at a ceremony held in Denver, Colorado. Gordon considered himself fortunate to be selected for this promotion since the Colonel Board selected only 7 percent of the applicants. This was the lowest selection rate in the US Army Reserve history.



IPSC's Own Bowling "Alley" — Mike Alley received the Senior A Division Bowler of the Year award. This award was given to the person who exceeded his/her own personal average during a six-game tournament. In order to compete in the Bowler of the Year Tournament, participants must have been selected as "Bowler of the Month" at least once during the year by having the highest average score during the month. Mike had been bowling with the same league for the past 15 years and had received the Bowler of the Month award at least once during each of those years. He started his bowling career back in the early 1960s. Since that time, Mike had hit a score of 290 several times, but never hit the perfect 300. Mike's next goal was to hit a perfect 300 score.



Mike Alley Retires — Mike Alley, Superintendent of Maintenance, retired on June 26. Mike began his career with IPSC on June 10, 1985. He served as a Planner/Scheduler, Associate Engineer, Maintenance Supervisor, Assistant Superintendent of Maintenance, and Superintendent of Maintenance. Mike was honored at the IPSC Board Meeting on April 22 for his many years of dedicated service. Mike was a great asset to IPSC.

New Department Heads — Wes Bloomfield moved into the Maintenance Superintendent position the end of June. He took the place of

Mike Alley upon his retirement. Wes had been serving as the Superintendent of Technical Services.

Jon Christensen moved into the position of Superintendent of Technical Services from the Assistant Superintendent of Technical Services. During his employment with IPSC, Jon had also served as Lead Engineer and Supervising Engineer.

Production Incentive Program — A production incentive of 3.94 out of 5.0 was earned for the fiscal year ending June 30. The checks were distributed to employees



on July 9.

New 401(k) Provider — Towers Perrin took the lead in assisting the Retirement and Savings Committee through an in-depth analysis/search for a new 401(k) provider. After several weeks of review and research, M&I Institutional Trust was selected to be the new 401(k) provider. The transition from Putnam/Mercer to M&I Trust took place on July 1.

Kelcie Thomas Project — Kelcie Thomas, daughter of IPSC employee Scott Thomas, took on an ambitious project to prevent childhood obesity in the community. Her goal was to provide as many children as possible with items that promote physical fitness activities, such as basketballs, jump ropes, etc. She also tried to raise the general public's awareness about obesity. IPSC was happy to be able to play a small part in this worthy cause by donating jump ropes, frisbees, and hula-hoops. Kelcie was able to hand these items out to school children in the community.

Summer Party— An "All American" summer party of baseball and barbeque was held at the Orem Owlz baseball stadium on August 2.



Those attending enjoyed hotdogs, hamburgers, and barbequed chicken with all the trimmings along with the game between the Orem Owlz and the Idaho Falls Chukars. Drake Wardle, grandson of IPSC employee Sam Wardle, threw the first pitch of the game—a strike. A great time was had by all.

DMAD Pipe Rupture— On August 26, there was a rupture in the DMAD pipeline approximately 350 feet downstream from the DMAD pump house. The rupture was approximately 4 feet long and extended approximately 3 feet up toward the top of the pipe. The failure of the pipe occurred at the centerline of the pipe located on the west side. The steel can in the area of the rupture showed signs of thinning from external corrosion. The reinforcing wires were completely corroded extending down toward the bottom of the pipe. Work continued around the clock to create a structurally sound temporary repair. The damaged section was replaced several weeks later.



New Dozer — The second of two Letorneau dozers was retired and replaced by a new Caterpillar 854 dozer. Because of the large size of the new dozer, it was brought in on three different railcars and assembled on site. The two original dozers were purchased in 1984. One of the original dozers was retired in 2002 and used for parts to prolong the life of the other one. It was also replaced by a Caterpillar 854 dozer.

Mike Mooney Received Award of Merit — On September 19, Mike Mooney accepted an award on behalf of IPSC. The Utah Safety Council (USC) Awards Committee selected IPSC to receive the Award of Merit for its achievements in workplace safety performance. To be considered for this award, the organization's incident rate must be lower than the national average for the industry, continuous safety performance improvement must be demonstrated, and essential elements of a safety and health program must be in place.



Platinum Level "Healthy Worksite Award" — In early October at an awards banquet,



the UDOH Council for Worksite Health Promotion presented Brian Coles the Platinum Level "Healthy Worksite Award" for the

IPSC Staywell Program. This year marked 14 consecutive years for IPSC receiving an award from the Governor's Council. The purpose of the program is to assist companies in progressing each year to the highest level. IPSC started with the entry level award in 1995. By following recommended guidelines, the quality of the Staywell Program advanced from the entry level to silver, gold, gold plus, and platinum. For the past three years, IPSC was awarded the Platinum Level.



New Benefits Analyst — Stan Koyle retired on December 29 after serving for over 23 years as the Administrative Analyst II over benefits

for IPSC. Stan was a great asset to IPSC. Lisa Bradfield was promoted as the new Administrative Analyst II.



Number of Employees — By the end of the year, the number of employees was 485.

Personnel Changes — The following personnel changes occurred during 2008:

PROMOTIONS

<u>Employee From</u>	<u>To</u>	
Allen, Brad	Maintenance Mechanic II	Maint. Mechanic/Certified Welder
Anderson, Dean	Laborer	Auxiliary Operator C
Bliss, Braden	Laborer	Maint. Assistance - Mechanical
Bloomfield, Wes	Supt. of Tech Services	Superintendent of Maintenance
Bradfield, Lisa	Clerk - Accounting	Buyer II
Bradfield, Lisa	Buyer II	Administrative Analyst II-Benefits
Bunker, Robert	Auxiliary Operator C	Auxiliary Operator B
Carroll, Cory	Elevator A/C Mechanic	Electrical Technician - HVAC
Chase, Kiley	Laborer	Associate Technical Analyst
Chase, Micah	Buyer II	Buyer I
Christensen, Jon	Asst. Supt. of Tech Services	Superintendent of Tech Services
Cowan, Glen	Fuel Equipment Operator II	Fuel Equipment Operator I
Crop, Nathan	Associate Engineer	Engineer
Dean, James	Laborer	Auxiliary Operator C
Draper, Zane	Maint. Assistance - Mechanical	Maint. Mechanic II
Elmer, Connie	Clerk - Purchasing	Buyer II
Finlinson, Rita	Clerk - Clerical Pool	Clerk - Accounting
Griffiths, Boyd	Laborer	Auxiliary Operator C
Jensen, Kyle	Laborer	Maint. Assistance - Mechanical
Johnson, Mike	Maintenance Mechanic II	Maint. Mechanic/Certified Welder
Jones, Jason	Laborer	Auxiliary Operator C
Marshall, Michael	MT Mechanic/Certified Welder	Maintenance Supervisor
McPherson, Seth	Laborer	Maintenance Assistant - HVAC
Mooney, Joshua	Laborer	Auxiliary Operator C
Mooney, Ron	Laborer	Maint. Assistance - Mechanical
Moore, Rodrick	Auxiliary Operator C	Auxiliary Operator B
Nielson, Ken	Lead Engineer	Supervising Engineer
Niles, Robert	Maint. Assistance - Mechanical	Maint. Mechanic II
Nuttall, Mike	Supervising Engineer	Asst. Supt. of Tech Services

Peterson, Callie	Clerk - Receptionist	Clerk - Clerical Pool
Peterson, Callie	Clerk - Clerical Pool	Clerk - Purchasing
Rawlinson, Gordon	Technical Analyst	Lead Technical Analyst
Riding, Randy	Maintenance Mechanic II	Maintenance Mechanic I
Rowlette, Justin	Maintenance Mechanic II	Maintenance Mechanic I
Schena, Boyd	Maint. Assistance - Mechanical	Maint. Mechanic II
Smith, Dusty	Laborer	Maint. Assistance - Mechanical

PROMOTIONS - continued

Stanworth, Gene	Maint. Assistance - Mechanical	Maint. Mechanic II
Thompson, Bradley	Planner/Scheduler	Operating Supervisor

TRANSFERS

<u>Employee From</u>	<u>To</u>
Draper, Steven	Operating Supervisor Planner/Scheduler

NEW HIRES

Employee Job Title

Cross, Sarah	Clerk - Receptionist
Finlinson, Nick	Laborer
Henrie, Gina	Clerk - Receptionist
Hintze, Stephen	Laborer
Huber, Steve	Laborer
Hughes, Rendon	Laborer
Lovell, Hans	Laborer
Shepherd, Dustin	Laborer
Smith, T. Brent	Associate Engineer
Steele, Michael	Associate Engineer
Stumph, Dallas	Laborer
Turner, Michael	Associate Engineer
Webb, Brandon	Laborer

TERMINATIONS

Employee Job Title

Hamilton, Howard	Lead Engineer
Rawlinson, Gordon	Lead Technical Analyst
Suffern, Greg	Maintenance Mechanic I

RETIREES



IPA

Financing — On June 30, the current weighted average borrowing cost was 4.17 percent.

